Status of Implementation of the recommendations contained in the 65th Report of the Department-related Parliamentary Standing Committee on Commerce

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (SHRI E.V.K.S. ELANGOVAN): Sir, in pursuance of Directions 73 A of the hon. Chairman, Rajya Sabha, issued *vide* Rajya Sabha Bulletin-Part II dated 28th September, 2004, I am making this statement on the status of the implementation of recommendations contained in the 65th Report of the Standing Committee on Demands for Grants (2004-05) in respect of Department of Commerce.

(i) Standing Committee examined the Demands for Grants for the year 2004-05 of the Department of Commerce in its meeting held on 12th August, 2004. The report was presented to the Rajya Sabha on 18th August, 2004. The Report contained 31 recommendations. These recommendations of the Committee mainly relate to the timely approval of schemes of Export Credit Guarantee Corporation (ECGC), Rubber Plantation Development Scheme, Export Promotion of Spices and Tea Plantation Fund, utilisation of funds, review of schemes/specific programmes, clearing of pending cases of refund on account of duty drawback on deemed exports, formation of Cashew Board, monitoring of the functioning of Agri-Export Zones, setting up of more EOUs in the North-East Region, holding of inter-Ministerial Consultations and consultations with the State Governments, political parties and apex industry associations to evolve strategy in the next Ministerial Conference of the WTO in Hong Kong, China in December, 2005, etc.

Out of 31 recommendations, Government has accepted 30 recommendations. In one case, that is, recommendation made *vide* para13.3 for formation of Cashew Board, the Government has not accepted the recommendation of the Committee on the grounds that it will not be cost effective. Moreover, in the era of globalisation and liberalisation, the trend is towards greater autonomy of operations to facilitate trade growth which should be at best left to the industry and the private entrepreneurs.

Out of 30 recommendations accepted by the Government, action has already been completed in respect of 25 recommendations. In respect of a 5 cases, action is at an advanced stage of completion. These are as follows:-

a) Para No. 5.2—Launch of Brand Ambassador Network

b) Para No. 6.5—Amendment in the Foreign Trade (Development and Regulations Act, 1992)

c) Para No. 7.4—Food Grain Export Policy

d) Para No. 11.7—Incentive to local bodies for promoting rubberisation of road.

e) Para No. 17.3—To revamp the DGCI&S.

I am also laying a Detailed Action Taken Report on each recommendation for the information of hon. Members.

MR. DEPUTY CHAIRMAN: This Report should be circulated to all the hon. Members as it has been done in the case of Ministry of Agriculture. ...(*Interruptions*)...

SHRI V. NARAYANASAMY (Pondicherry): The recommendation of formation of Cashew Board is not accepted. It is wrong to say that it is not cost effective. it is wrong. ...(*Interruptions*)... One minute, I am talking about the Cashew Board. ...(*Interruptions*)...

SHRI PENUMALLI MADHU (Andhra Pradesh): I am in agreement with what Shri Narayanasamy has said. ...(*interruptions*)...

SHRI V. NARAYANASAMY: When there was a Spices Board, when there was a Spices Board, why had they rejected the Cashew Board? On the coastal areas of Andhra Pradesh, Tamil Nadu ..(*interruptions*)..

MR. DEPUTY CHAIRMAN: That is why, Shri Narayansamy, the hon. Minister is laying a Detailed Action Taken Report, which is not being circulated ...(*interruptions*)...

SHRI E.V.K.S. ELANGOVAN: It is circulated, Sir ..(*interruptions*)..

MR. DEPUTY CHAIRMAN No. It is not being circulated. ..(*interruptions*)..

SHRI V. NARAYANASAMY: We have got only one paper. ...(*interruptions*)...

SHRI E.V.K.S. ELANGOVAN: I will circulate it ..(*interruptions*)..

MR. DEPUTY CHAIRMAN: It has to be circulated so that hon. Members can know which para has been accepted, which para has not been accepted and why it has not been accepted.

SHRI RAJU PARMAR (Gujarat): The hon. Minister has said that they cannot form the Cashew Board, so they must give the reasons why they are not ...(*interruptions*)...

SHRI V. NARAYANASAMY: It is mentioned that it is not cost effective which is not correct. ...(*interruptions*)... The Cashew Board which is vital for people living in the coastal areas and for farming community ..(*interruptions*)..

MR. DEPUTY CHAIRMAN: One minute ..(*interruptions*).. One minute. ...(*interruptions*)...

SHRI V. NARAYANASAMY: In the coastal areas of Kerala, Tamil Nadu, Karnataka, Andhra Pradesh, Orissa and Maharashtra, the cashew cultivation is going on very well, but the farming community will get the advantage of it if the Cashew Board is there. Now, they are selling cashew at very low prices in the market. If the Cashew Board is there, it will regulate it. To say that cost effectiveness is not there is not a right recommendation, and it is not to be accepted. It is not a valid reason. .. (*interruptions*)...

MR. DEPUTY CHAIRMAN: Mr. Minister, it is for clarification. ...(*interruptions*)...

SHRI E.V.K.S. ELANGOVAN: Sir, as far as the ...(*interruptions*)...

SHRI PENUMALLI MADHU: As far as this one recommendation, which has not been accepted, is concerned, it is regarding Cashew Board. The explanation given by the hon. Minister in his Statement is very clear. We need not see the Action Taken Report. In this paragraph, it is very well explained. The argument also is indicated here—one aspect has been, as Shri Narayanasamy has said, that it is not remunerative, and the second aspect is, in the era of globalisation and liberalisation, the trend is towards greater trade autonomy. So, it gives scope for monopoly of the multinational corporations. In this way, I fully disagree with this kind of approach.

SHRI E.V.K.S. ELANGOVAN: As far as cashew nut is concerned, we export quite a large volume. As regards import also, these cashew nuts are value added, and they are again exported. I think, there is no need for an independent body for cashew because it is also...(*interruptions*)...

MR. DEPUTY CHAIRMAN: That is the decision of the Government. I can't ...(*interruptions*)...

SHRI V. NARAYANASAMY: Decision of the Government can be modified keeping in view the feelings of the hon. Members.

MR. DEPUTY CHAIRMAN: Minister will take note of it.

SHRI V. NARAYANASAMY: Hon. Minister should take note of it and reveal the reasons ..(*interruptions*)...

SHRI A. VIJAYARAGHAVAN (Kerala): Kerala is producing 90 per cent of total cashew, and the State Government and the people of Kerala have been regularly recommending for a Cashew Board. We have the Coconut Board, the Rubber Board. Unfortunately, we don't have a Cashew Board ...(*interruptions*)...

SHRI V. NARAYANASAMY: When the Standing Committee has recommended unanimously and *suo motu,* and has sent it, how can the Government reject this recommendation? Where is the valid reason for this? Let the hon. Minister give a valid reason. Let them do liberalisation, globalisation and everything, but we need a Cashew Board to regulate the business.

SHRI E.V.K.S. ELANGOVAN: I can assure the House that I will take care of the sentiments of the hon. Members, especially the loud voice raised by Mr. Narayanasamy, will be taken into account, and ...(*interruptions*)...

MR. DEPUTY CHAIRMAN: Mr. Narayanasamy, the Minister has assured that all the sentiments of hon. Members will be taken into consideration.

SHRI JANARDHANA POOJARY (Karnataka): The Minister should be proactive. He should not be negative. The approach is negative.

MR. DEPUTY CHAIRMAN: He has understood the sentiments of the House and also ..(*interruptions*).. He has said that he will look into it ...(*interruptions*)...

SHRI DIPANKAR MUKHERJEE (West Bengal): There is a problem, Sir, The way this draft has been done here, "Moreover, in the era of globalisation, liberalisation, the trend is towards this..." and such and such. There are other Boards. Now, if the Ministry does not want a Cashew Board, by writing in this type of language means that you are trying to close all sorts of Boards that are operating in different fields. So this language, if you have not accepted this recommendation for cost-effectiveness, that is a part of the discussion, but this question, this line, "In the era of globalisation, liberalisation...", such a generalised statement cannot be given by the Commerce Ministry. What I am trying to say is this statement from the Commerce Ministry on the limited issue of Cashew Board, such a generalised sentence should not have been there in this statement.

MR. DEPUTY CHAIRMAN: The matter is over. Members have expressed their views.